ILLINOIS BUSINESS REVIEW

A MONTHLY SUMMARY OF BUSINESS CONDITIONS FOR ILLINOIS

PUBLISHED BY . . . .
BUREAU OF ECONOMIC AND BUSINESS RESEARCH
COLLEGE OF COMMERCE · UNIVERSITY OF ILLINOIS

VOLUME XVII | SEPTEMBER, 1960 | NUMBER 8

HIGHLIGHTS OF BUSINESS IN AUGUST

Business activity in August held at about the same level as in the two preceding months. The index of industrial production was at 109 (1957 = 100), 1 point below July and even with June. The number of unemployed dropped, but the number of employed workers fell still more. The seasonally adjusted unemployment rate rose from 5.5 percent to 5.9 percent. Department store sales were down 4 points to 145 percent of the 1947-49 average after seasonal adjustment. Automobile sales amounted to 479,000, for a daily average rate 3 percent above July but 5 percent below last August. Detroit was not happy about either the August rate of sales or the inventory of nearly 900,000 1960 model cars on hand as production of 1961 cars began.

Construction Lags

Although the dollar value of new construction put in place rose slightly in August to $5.2 billion, the increase was less than normal for the month. The seasonally adjusted annual rate was off 1 percent from July and 5 percent from the August, 1959, level. Private construction valued at $3.5 billion was down 1 percent from July and 8 percent from August last year. Spending for construction of private residential buildings in the latest month amounted to $2.0 billion, slightly below July and 16 percent below the year-earlier month. Most other major types of private construction showed small gains over July and increases of at least 5 percent over August, 1959, with industrial building amounting to 28 percent more than in August last year.

Public spending on new construction totaled $1.6 billion in August, 1960. Although this was slightly more than July expenditures, the seasonally adjusted annual rates for the two months show a decline. However, the latest month was 1 percent above August, 1959.

Capital Investments Down

For the second time the SEC-Commerce Department estimate of business capital expenditures in 1960 has been revised downward. It is now expected that the total for the year will amount to $36.4 billion, 12 percent above 1959. In June the 1960 total was estimated at $36.9 billion, with a $37.0 billion second-quarter rate. At that time the third-quarter rate was expected to go to $37.5 billion. The latest report places the second-quarter rate at $36.3 billion and that for the third quarter at $36.9 billion. The latter rate is also projected for the fourth quarter of this year.

The present estimate anticipates that manufacturers will spend nearly $14.6 billion on plant and equipment in 1960, 21 percent more than in 1959. Expenditures by railroads and public utilities are expected to be 16 percent and 4 percent, respectively, above 1959.

July Sales, Inventories Off

Sales by manufacturing and trade firms fell $800 million in July to a seasonally adjusted $61.0 billion, the lowest total in seven months and $1.5 billion below the April peak. The decrease from June was almost equally divided among manufacturers, wholesalers, and retailers. Among retailers the decline mainly reflected lower auto sales, but two-thirds of the drop at the wholesale level and half at the manufacturing level were attributed to lower shipments of nondurables.

Inventories showed their first net decline this year, falling $100 million to $93.3 billion. Manufacturers reduced the book value of their stocks by $200 million, their first net liquidation since the end of the steel strike last year. Wholesale inventories remained unchanged at $13.0 billion, while retailers increased theirs $100 million to $25.4 billion, with all the gain occurring in durables.

New orders received by manufacturers during July were off 2 percent from June to a seasonally adjusted rate of $29.4 billion. Most of the drop occurred in the nondurable goods industries.

Consumer Debt Still Expanding

The short- and intermediate-term debt of consumers continued to rise during June and July as it had during the preceding months. On a seasonally adjusted basis total consumer debt increased $370 million in June and $332 million in July. These additions were smaller than the average for the first five months. They brought the total outstanding at the end of July to $53.7 billion. Of this, $41.7 billion was instalment debt, and $12.0 billion was noninstalment debt. The former rose an adjusted $342 million in June and $249 million in July.

Automobile paper accounted for about a third of the adjusted increase in instalment debt in June but contributed very little to the July expansion. Other consumer goods paper and repair and modernization loans also showed smaller increases in July as compared with June. However, personal instalment loans, which make up only a fourth of all instalment debt outstanding, accounted for three-fifths of the adjusted increase in the latter during July.

RURAL MIDWESTERN VOTING TRENDS · · By C. B. Hagan and C. D. McMurray · · Page 6

ILLINOIS BUSINESS REVIEW

Monthly except July-August when bimonthly

BUREAU OF ECONOMIC AND BUSINESS RESEARCH
UNIVERSITY OF ILLINOIS
Box 658, Station A, Champaign, Illinois

The material appearing in the *Illinois Business Review* is derived from various primary sources and compiled by the Bureau of Economic and Business Research. Its chief purpose is to provide businessmen of the State and other interested persons with current information on business conditions. Signed articles represent the personal views of the authors and not necessarily those of the University or the College of Commerce. The *Review* will be sent free on request.
Second-class mail privileges authorized at Champaign, Illinois.

V LEWIS BASSIE, *Director* — RUTH A. BIRDZELL, *Editor of Publications*

JOSEPH D. PHILLIPS, *Research Associate Professor*

Research Assistants

R. W. BECKSTEAD — JACK A. RARDIN

C. G. PELEKOUDAS

Can Growth Be Maintained?

The rate of economic growth has become an issue in the election campaign.

The Democrats criticize the Eisenhower administration for policies that have slowed growth or at least permitted it to slow. They point out that the 2 percent rate of increase in real gross national product realized since 1955 is only half as high as the 4 percent prevailing in earlier postwar years and only two-thirds of the long-term rate prevailing for more than half a century. This comparatively slow progress has resulted in higher unemployment and a wider margin of idle industrial capacity.

The Republicans retort that growth is best realized by a free economy and point out that the Democrats really have no program for accelerating growth, except perhaps through increases in government spending. The latter are held to be undesirable on other grounds, but should any increases be needed to halt a recession they would be undertaken by the Republicans themselves.

In much of the discussion, both sides assume a degree of control over economic fluctuations that does not actually exist. Republican spokesmen openly assert that "We need never have another serious depression." The Democrats by implication promise not merely to keep a recession from deepening but to push us ahead to new highs of employment and income.

Continuous Growth Not Assured

There is little doubt that we have the potentials in resources and know-how for achievement of the steady 5 percent growth rate currently held to be desirable. But given existing institutional limitations, there is no assurance of achieving a high rate on the average, or even any growth at all for limited periods of months or years.

Most discussions of the subject focus on potentials only. They consider a limited number of supply factors — such as the labor force, industrial capacity, and productive efficiency — and spell out what would be accomplished if these operated at their maximum capabilities. On this basis, progress possible over a ten- or fifteen-year period seems startling. The hard fact seldom faced in these discussions is that potentialities do not automatically result in the increases projected. If they did, we should not be plodding along in partial idleness as we now are.

Growth is a complex phenomenon, requiring a balanced development that has little tendency to occur automatically and is difficult in our economic and political framework to achieve through planning. A number of the most important variables must expand coordinately if progress is to be maintained over long periods. Demand must grow with production in order that current output be taken off the market. Investment must keep pace, to support both production and demand. The capital stock, which is the product of investment, must expand correspondingly; neither deficiencies nor excesses of capacity can long persist. Marked departures in any of these variables tend to result in cumulative swings of the whole economy away from the growth path.

For this reason, no analysis confined to supply conditions can suffice to define the future course of activity. The idea that a growing labor force will automatically bring increased production is on a par with the idea that a growing population will automatically bring increased demand. When there are insufficient jobs, the additional labor remains unemployed. Jobs, not population, produce income, and when incomes are deficient, additional goods cannot be purchased. These conditions interact. They also interact with private investment, and when all join in a concerted downturn, their force cumulates to a magnitude with which the government cannot readily cope.

Optimum Increases in Productivity

Nowhere is the lack of insight into relationships more apparent than in the tendency of growth forecasters to project the highest rates of productivity increase over long periods into the future. Some go so far as to say that all-out research, innovation, and improvement in efficiency constitute a new way to grow — a wonderful new way because it is in our power to pursue it forever. What they overlook is that the rate of productivity increase should conform, not to a maximum, but to an optimum. For unduly high increases in productivity lead not to continuous growth but to instability.

The immediate gains from rising productivity largely take the form of cost savings realized from displacement of labor. The resulting unemployment restricts demand, and the market tends to lag behind production. Under these circumstances, the growth in potential may still be maintained for a time by high investment and rapidly rising productivity, but nonproduction employment, unemployment, and excess capacity tend to rise in unison. In other words, rapid technological advance tends to increase employment in research and sales promotion staffs at the same time that it reduces employment of production workers and creates excess capacity. The sharp rise of production-worker productivity may then be a warning of danger rather than an assurance of progress.

The speed of technological change is of critical importance in determining its consequences in short-run unemployment. Automation and other devices for accelerating such change may keep activity high but aggravate critical imbalances. These imbalances ultimately bring about a reversal in business and diminish the research from which the technological advance derives.

We already have some experience with persistent unemployment. Its "hard core" often consists of workers whose last employment was as production workers in manufacturing. When such workers have to move into service industries at lower-paying jobs the problem of lagging markets is not resolved. When they use their accumulated savings to move into self-employment, the investment is sustaining, but after a while many of these

(Continued on page 8)

COMMERCIAL JOB PRINTING

Although printing in this country originated in the mid-1600's, it was used primarily for the making of books and newspapers until about a century ago. The occasional and somewhat limited demand for small printing jobs before then was handled mostly as a sideline by publishing firms as a means of supplementing their revenues.

The emergence of commercial job printing as an important industry actually occurred during the last few decades of the nineteenth century when revolutionary developments, such as the invention of the linotype and the rotary press, brought about a vast increase in the quantity of printed materials and opened up large markets for custom printing. Besides the mass circulation publications which soon sprang up, industry and commerce discovered greater varieties of uses for printed matter, ranging from business forms to promotional circulars.

A $4 Billion Business

The commercial job printing industry today is the largest of the various printing trades. With an annual output in excess of $4 billion, the industry accounts for about one-third of all items printed. This figure does not include, however, the 15 to 20 percent of the total job printing which is done by the other printing trades.

Except for lumber products, no other industry in the United States has more establishments than commercial job printing. There are more than 15,000 plants widely scattered throughout the 48 continental states, most of which serve only local demand. One or more plants can be found in nearly every city of more than 10,000 population, as well as in many smaller communities. In general, these printing establishments are dispersed more or less in relation to population and to the concentration of business. Most are small; more than 82 percent maintain fewer than 20 employees and the average has about 15 workers. Of the approximately 2,800 plants with more than 20 employees, somewhat more than half are concentrated in an area extending roughly between New York and Illinois. The job printing industry in 1958 employed 290,000 persons, of whom an estimated 245,000 were production workers.

A wide variety of machines is used in printing today, but the major portion of output is accomplished by three principal methods. Letterpress, the oldest and most common method, accounts for about three-fifths of total production, while lithography and intaglio (gravure printing) produce about 33 percent and 7 percent, respectively.

Problems and Trends

Commercial job printing, because of the large number of establishments, is highly competitive, a circumstance which results in close pricing of print orders. In addition, volume is often related to business fluctuations. Despite the swings in business, the commercial print shop must maintain expensive capital equipment and a highly skilled labor force, which is among the highest-paid in the nation, to ensure year-round service. To offset these difficulties, many of the larger firms seek long-term contracts and faster, more efficient machinery, which is constantly being developed. Formerly most leading firms specialized to obtain the savings of standardization, but in the postwar period they have become increasingly diversified and decentralized to avoid dependence on any one type of printing.

Probably the most notable postwar trend has been the vigorous growth in the utilization of lithography, a method by which images are transferred (or offset) from a thin metallic plate onto a receiving substance (usually paper) by means of a series of chemically prepared rollers. Between 1947 and 1958, lithography rose 202 percent in value of shipments to $1.5 billion, whereas all other types of commercial printing rose only 80 percent. Responsible for this increased popularity of lithography are (1) greater flexibility, such as the ease of printing with four colors even on rough surfaces, (2) the reduction of costly intermediate steps often required by other methods, and (3) the over-all refinements in lithographic equipment and techniques which offer greater speed and longer press runs.

Illinois a Leading Center

Illinois is the nation's second largest commercial printing center, trailing only New York. With nearly 40,000 employees, the 1,300 plants in this State turn out an annual product valued at more than $600 million, nearly 15 percent of the national total. The per-plant output of job printing plants in the State is the highest in the country, averaging $460,000 compared with the $280,000 national average.

Although there are approximately 300 printing plants in downstate Illinois, the major share of production is achieved in Chicago where an estimated 85 percent, or $520 million, of the state's total volume is printed. Chicago's heavy production results from the fact that the city does extensive printing of books, magazines, catalogues, advertising folders, labels, and business forms, much of which is in four colors. In addition, the city's central location makes it an economically desirable shipping point for these and other materials printed in Chicago for national distribution.

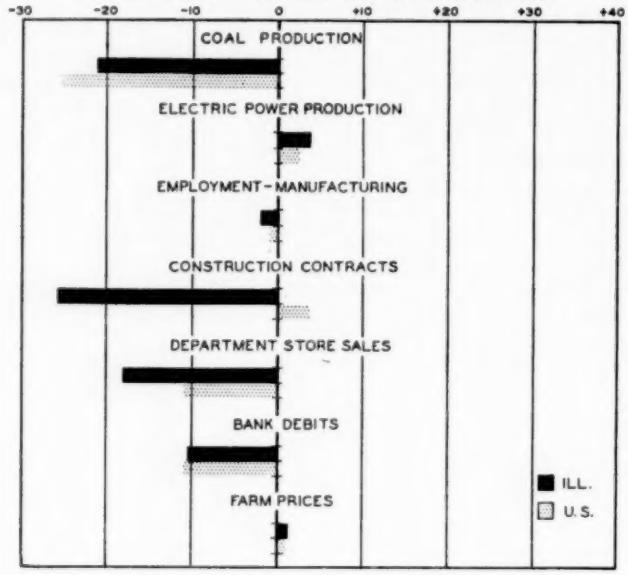
The enormous volume of printing performed in the Chicago area is largely accounted for by the presence of the three largest commercial job plants in the nation. Employing a combined total of 14,000 persons, the W. F. Hall Printing Company, the Cuneo Press, and R. R. Donnelley and Sons produce in tremendous quantities such volumes as mail order catalogues, telephone and business directories, and encyclopedias, as well as large nationally distributed magazines.

The postwar trend toward decentralization, especially by the larger firms, has affected the industry in Illinois and New York, where there has been a slower growth rate than for the nation as a whole. These two states are firmly established in commercial job printing, but because of the tendency toward locating plants near expanding markets they probably will continue to grow more slowly than the regions now experiencing more rapid rates of growth in population and business.

STATISTICAL SUMMARY OF BUSINESS ACTIVITY

SELECTED INDICATORS

Percentage changes June, 1960, to July, 1960



ILLINOIS BUSINESS INDEXES

Item	July 1960 (1947-49 =100)	Percentage change from June 1960	Percentage change from July 1959
Electric power[1]	239.5	+ 3.9	+ 0.6
Coal production[2]	55.6	−21.0	− 0.8
Employment—manufacturing[3]	98.4	− 2.0	− 3.7
Weekly earnings—manufacturing[3]	171.4[a]	+ 0.3	− 0.8
Dept. store sales in Chicago[4]	131.0[b]	+ 8.3	+ 0.8
Consumer prices in Chicago[5]	130.4	+ 0.2	+ 1.6
Construction contracts[6]	325.9	−25.6	−24.7
Bank debits[7]	205.7	−10.4	− 6.1
Farm prices[8]	82.0	+ 1.2	+ 3.8
Life insurance sales (ordinary)[9]	271.5	−11.3	−13.0
Petroleum production[10]	122.5	+ 5.9	+ 3.8

[1] Fed. Power Comm.; [2] Ill. Dept. of Mines; [3] Ill. Dept. of Labor; [4] Fed. Res. Bank, 7th Dist.; [5] U. S. Bur. of Labor Statistics; [6] F. W. Dodge Corp.; [7] Fed. Res. Bd.; [8] Ill. Crop Rpts.; [9] Life Ins. Agcy. Manag. Assn.; [10] Ill. Geol. Survey.

[a] Data for June, 1960, compared with May, 1960, and June, 1959. [b] Seasonally adjusted.

UNITED STATES MONTHLY INDEXES

Item	July 1960	Percentage change from June 1960	Percentage change from July 1959
	Annual rate in billion $		
Personal income[1]	407.1[a]	+ 0.2	+ 5.2
Manufacturing[1]			
Sales	367.2[a]	− 0.6	− 0.6
Inventories	54.9[a, b]	− 0.4	+ 5.2
New construction activity[1]			
Private residential	25.8[c]	+ 3.6	− 9.3
Private nonresidential	18.1[c]	+ 3.4	+ 6.3
Total public	18.3[c]	+ 1.3	− 5.8
Foreign trade[1]			
Merchandise exports	20.6[d]	− 4.0	+20.9
Merchandise imports	15.8[d]	+ 4.2	− 4.1
Excess of exports	4.9[d]	−23.6	+664.3
Consumer credit outstanding[2]			
Total credit	53.7[b]	+ 0.3	+13.5
Instalment credit	41.7[b]	+ 0.8	+14.4
Business loans[2]	36.5[b]	− 1.9	+ 9.2
Cash farm income[3]	29.6[d]	+ 7.2	− 5.4
	Indexes (1947-49 =100)		
Industrial production[2]			
Combined index	109[a, e]	0.0	+ 0.9
Durable manufactures	105[a, e]	0.0	0.0
Nondurable manufactures	116[a, e]	0.0	+ 2.7
Minerals	97[a, e]	+ 1.0	+ 3.2
Manufacturing employment[4]			
Production workers	100	− 0.6	− 2.2
Factory worker earnings[4]			
Average hours worked	100	− 0.5	− 1.0
Average hourly earnings	172	0.0	+ 2.7
Average weekly earnings	172	− 0.5	+ 1.7
Construction contracts[5]	316	+ 3.6	− 1.6
Department store sales[2]	149[a]	+ 2.8	+ 0.7
Consumer price index[4]	127	+ 0.1	+ 1.4
Wholesale prices[4]			
All commodities	120	+ 0.2	+ 0.2
Farm products	89	− 0.1	+ 0.6
Foods	109	+ 1.1	+ 1.2
Other	128	0.0	− 0.2
Farm prices[3]			
Received by farmers	88	+ 1.1	− 1.1
Paid by farmers	119	− 0.8	0.0
Parity ratio	80[f]	+ 1.3	− 1.2

[1] U. S. Dept. of Commerce; [2] Federal Reserve Board; [3] U. S. Dept. of Agriculture; [4] U. S. Bureau of Labor Statistics; [5] F. W. Dodge Corp.

[a] Seasonally adjusted. [b] End of month. [c] Includes Hawaii and Alaska. [d] Data for June, 1960, compared with May, 1960, and June, 1959. [e] 1957 = 100. [f] Based on official indexes, 1910-14 = 100.

UNITED STATES WEEKLY BUSINESS STATISTICS

Item	1960					1959
	Aug. 27	Aug. 20	Aug. 13	Aug. 6	July 30	Aug. 29
Production:						
Bituminous coal (daily avg.) thous. of short tons	1,298	1,343	1,339	1,298	1,372	1,217
Electric power by utilities mil. of kw-hr.	14,602	14,453	14,622	14,709	14,746	14,109
Motor vehicles (Wards) number in thous.	54	63	97	118	129	34
Petroleum (daily avg.) thous. bbl.	6,846	6,842	6,834	6,837	6,821	6,765
Steel 1947-49 =100	90	90	89	89	88	19
Freight carloadings thous. of cars	595	596	600	594	614	549
Department store sales 1947-49 =100	144	139	131	128	122	139
Commodity prices, wholesale:						
All commodities 1947-49 =100	119.4	119.3	119.4	119.4	119.5	119.1[a]
Other than farm products and foods 1947-49 =100	128.3	128.3	128.3	128.3	128.3	128.4[a]
22 commodities 1947-49 =100	85.6	85.4	85.5	85.7	85.7	87.0
Finance:						
Business loans mil. of dol.	30,897	31,114	31,069	31,104	30,981	28,978
Failures, industrial and commercial number	315	279	308	269	293	257

Source: *Survey of Current Business, Weekly Supplements.*

[a] Monthly index for August, 1959.

RECENT ECONOMIC CHANGES

Machine Tools

Orders for metal-cutting tools from domestic users continued to decline during July, dropping to the lowest point since November, 1958. The National Machine Tool Builders' Association reported new purchases by United States customers amounted to $22.4 million in July, compared with $25.4 million in June. At the low-point of the 1958 recession, domestic orders dropped to $18.9 million.

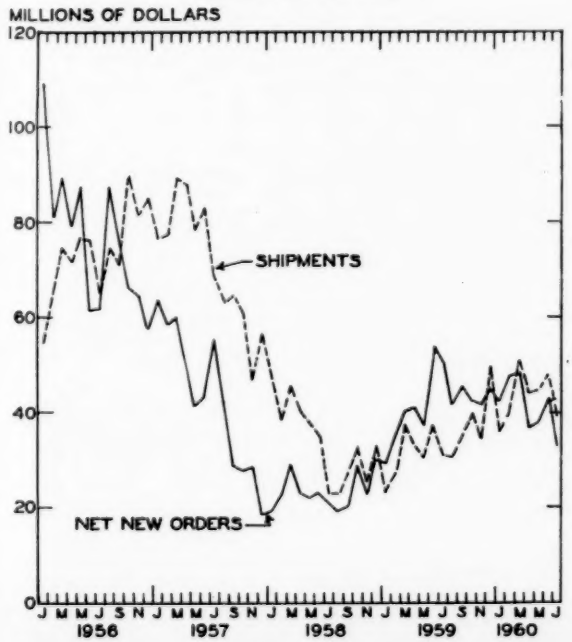
Foreign orders also fell during July after reaching a peak of $17.8 million in June. The decline in foreign business to $10.3 million in July, coupled with the continued reduction in domestic orders, pushed total orders for metal-cutting tools 23 percent below the previous month and 35 percent under July, 1959. Net new orders in July amounted to $32.7 million, compared with $42.6 million in June and $50.7 million a year ago.

Shipments of metal-cutting tools in July, though down sharply from the preceding month, continued to run ahead of orders for the fifth consecutive month (see chart). July shipments fell to $39.5 million from $48.0 million in June. The recent advance of shipments over new orders has cut the industry's backlog from a five-month level at the beginning of the year to 3.9 months at the end of July.

Farm Prices

The index of prices received by farmers fell in August to 234 (1910-14 = 100). This was 2 percent less than the mid-July index of 238. A year ago the index stood at 239. The Agriculture Department reported that lower prices for meat animals, vegetables, and poultry were primarily responsible for the decrease. The prices received by farmers for all species of meat animals averaged about 4 percent lower in mid-August than a month earlier. Beef cattle prices fell to $19.60 per hundredweight, down 90 cents from the preceding month; and hogs were off from $16.60 per hundredweight in July to $16.40 in August. Vegetable and poultry prices were down 6 percent and 7 percent, respectively, during the month.

MACHINE TOOLS



Source: National Machine Tool Builders' Association.

These reductions were only partially offset by advances in the prices for milk, eggs, cotton, and wheat.

The index of prices paid by farmers was unchanged during the month. In mid-August the over-all cost index stood at 298, the same as in July, but up slightly from August, 1959. With farm product prices lower and the cost index unchanged, the parity ratio fell 1 point, from 80 in July to 79 in August.

Nonfarm Housing Starts

The seasonally adjusted annual rate of private nonfarm housing starts dropped in July to 1,154,000 units, according to the most recent Census Bureau report. The July home-building pace was down 10 percent from the June rate of 1,281,000 units.

The agency's report on home-building activity showed that actual public and private starts in July declined to 112,300 units from 125,200 in June. In 1959 total nonfarm housing starts in July amounted to 146,700 units. For private homes only, the figures this year showed 108,600 starts in July, compared with 120,100 in the preceding month and 145,100 a year ago.

By the end of July, new private and public nonfarm dwelling units started this year totaled 755,500, compared with 934,100 in the first seven months of 1959. The latest decline cut the seasonally adjusted rate of private nonfarm housing starts for the first seven months of this year to 1,258,000, almost 19 percent below the corresponding period last year.

Retail Sales

Retail sales in August were maintained at about the same level as in July, according to preliminary estimates by the Department of Commerce. Consumer buying during the month came to just under $18.2 billion, only slightly less than the seasonally adjusted figure for July and about equal to August, 1959, sales.

Last month's stability in retail sales followed a 2 percent decline from June to July. Earlier in the year consumer buying had experienced a sharp advance which ended in a record high of $18.9 billion in April.

In the durable goods sector, retail sales totaled $5.7 billion in August, the same as in July but 6 percent less than a year ago.

Employment

Total employment declined to slightly under 68.7 million workers in August, a reduction of 407,000 from the previous month. The August drop in employment was unusual; normally total employment shows little change from July to August.

The number of jobless also fell during the month, but the 229,000 decline was only about half the seasonally expected decrease for August. As a result, the seasonally adjusted rate of unemployment rose to 5.9 percent of the total work force, the highest rate since last November.

Labor Department data, in thousands of workers, are as follows:

	Aug. 1960	*July 1960*	*Aug. 1959*
Civilian labor force	72,070	72,706	70,667
Employment	68,282	68,689	67,241
Agricultural	6,454	6,885	6,357
Nonagricultural	61,828	61,805	60,884
Unemployment	3,788	4,017	3,426
Seasonally adjusted rate	5.9	5.4	5.4

RURAL MIDWESTERN VOTING TRENDS

CHARLES B. HAGAN, Professor of Political Science
and
CARL D. McMURRAY, Research Assistant in Political Science

The swing to the Democratic Party in the popular vote for representatives in 1958 is manifest in 41 of the 43 congressional districts in Illinois, Iowa, and Wisconsin. In these three states the Republicans elected 29 representatives in 1954, 28 in 1956, and 20 in 1958. The Democrats rose from a minority of 14 to a majority of 23. Six of the eight Republican losses in 1958 occurred in nonmetropolitan districts, that is, districts outside the Chicago, East St. Louis, and Milwaukee areas. Since we are dealing with the voting of the rural population in this study, the analysis is limited to the 27 districts outside these centers. In these the number of Republican representatives declined from 24 in 1954 to 18 in 1958.

The usual explanation of the spectacular increase in Democratic strength in 1958 is an increasing opposition on the part of the farmer to Agriculture Secretary Benson's policies. That explanation assumes a unified "farm vote" capable of violent swings from election to election and is consistent with the traditional view of Midwestern politics which holds that the towns furnish the stable Republican vote while the farmers' vote swings.

In contrast with this view, we find that the farm population has more steadily supported the Republican Party during this period than have small-town residents. The shift of popular vote away from the Republicans in small-town and city voting has been coupled with a fluid segment of the farm vote to produce a marked drift toward the Democrats. The drift is generally steady and is manifest in the decline in the number of safe Republican districts as well as in the increasing number of Democrats elected to the House.

The evidence to support these conclusions will be presented in the following ways: (1) the 1958 election results of the Republican representatives who supported Secretary Benson's program, and (2) the trend in the popular vote in the 27 nonmetropolitan districts which have sizable farm populations. In order to use the most homogeneous political unit for which election data were generally available, the section comparing population characteristics and vote shifts uses the county as the basic unit for study. Indiana has been omitted because the 1958 county election data by congressional districts were not readily available. It should be noted, however, that six districts in that state shifted from the Republican to the Democratic column in 1958, and five of those districts have agricultural and population characteristics similar to the 27 districts considered in this analysis.

The Farm Vote and Benson

The first ground for doubting that the election results in these districts were influenced primarily by Secretary Benson's policies is the fate of Republican representatives who voted on Senate Joint Resolution 162 in the spring of 1958. This resolution provided that price supports for most farm crops should be continued at the 1957 level without regard for market conditions. Secretary Benson opposed this as contrary to his program of flexible supports. Nonetheless the House passed the Senate-approved measure by a vote of 210 to 172. The parties split: Democrats — Yea 166, No 31; Republicans — Yea 44, No 141. The President vetoed the proposal.

All Democratic representatives from the 27 districts supported the resolution, that is, were "anti-Benson." Twenty-one Republicans from these districts voted: 9 voted No, or "pro-Benson" and 12 voted Yea, or "anti-Benson." All the pro-Benson faction were from Illinois and Iowa. The anti-Benson faction included all the Wisconsin representatives, two from Illinois, and four from Iowa. From the pro-Benson group three failed to be re-elected in 1958: Vursell (Ill., 23rd), Talle (Iowa, 2nd) and Cunningham (Iowa, 5th). From the anti-Benson group, Simpson (Ill., 20th) died and was succeeded by his wife, also a Republican. Le Compte (Iowa, 4th) chose not to run, and the Republican nominee to succeed him was defeated. Tewes (Wis., 2nd), although anti-Benson, was defeated.

These and other results of the 1958 congressional election are inconclusive as proof of a farm revolt against Benson's agricultural policies. An examination of the popular vote shows that both pro-Benson and anti-Benson Republicans were losers, and percentage-wise the anti-Benson Republicans frequently lost a greater share of their support than the pro-Benson Republicans.

The losses may be summarized in the following way. In Illinois the mean percentage of vote loss for the six pro-Benson representatives was 4.3 percent. One district, the 15th, distorted that figure with a disproportionate drop from 1956 in Mason's percentage of the vote. The only anti-Benson Republican running for re-election, Springer (Ill., 22nd), suffered a loss of 1.8 percent of the popular vote. Mrs. Simpson (Ill., 20th) suffered a 4.3 percent loss from her husband's winning percentage in 1956. That decrease was greater than the 2.3 percent lost by Vursell (Ill., 23rd), who was defeated.

Despite the unanimous anti-Benson position of the six Wisconsin Republicans, they suffered a mean percentage loss of 6.4 percent of the popular vote. This loss was greater than the mean loss of either faction in Illinois and Iowa. As a result of Republican losses in Wisconsin, the Democrats defeated Tewes (Wis., 2nd) and filled a vacancy in the 1st District.

The election results in Iowa challenge most seriously the view that anti-Bensonism influenced the election results in 1958. Three Iowa representatives were pro-Benson and two of these were defeated in 1958. The mean loss of popular vote of these three Republicans was 3.5 percent. The pro-Benson candidate who won lost 4.6 percent in the popular vote, somewhat more than the losses of his unsuccessful companions. On the other hand

TABLE 1. PARTY VOTING IN RURAL ILLINOIS

Percent of farm population	Number of counties	Percent of Republican vote (Mean)			Percent shift in Republican vote (Mean)		
		1954	1956	1958	1954-56	1956-58	1954-58
Under 10%	3	59.3	59.7	57.4	+0.4	−2.3	−1.9
10%–19%	10	57.9	57.0	53.0	−0.9	−4.0	−4.9
20%–29%	19	56.5	56.3	51.8	−0.2	−4.5	−4.7
30%–39%	32	59.3	59.1	54.4	−0.2	−4.7	−4.9
40%–49%	22	60.6	60.5	56.3	−0.1	−4.2	−4.3
50%–59%	9	54.6	54.3	50.2	−0.3	−4.1	−4.4
60%–69%	3	57.5	55.6	54.6	−1.9	−1.0	−2.9

TABLE 2. SAFE AND UNSAFE ILLINOIS COUNTIES

	1954	1956	1958
Safe Republican	44	41	27
Safe Democratic	3	2	7
Unsafe	51	55	64

TABLE 3. PARTY VOTING IN RURAL IOWA

Percent of farm population	Number of counties	Percent of Republican vote (Mean)			Percent shift in Republican vote (Mean)		
		1954	1956	1958	1954-56	1956-58	1954-58
Under 10%	1	52.3	48.4	45.4	−3.9	−3.0	−6.9
10%–19%	8	52.5	52.4	46.8	−0.1	−5.6	−5.7
20%–29%	9	53.6	55.0	51.0	+1.4	−4.0	−2.6
30%–39%	10	65.4	55.2	50.8	−10.2	−4.4	−14.6
40%–49%	23	62.8	57.2	51.7	−5.6	−5.5	−11.1
50%–59%	39	63.6	56.4	52.5	−7.2	−3.9	−11.1
60%–69%	9	60.4	53.4	50.9	−7.0	−2.5	−9.5

TABLE 4. SAFE AND UNSAFE IOWA COUNTIES

	1954	1956	1958
Safe Republican	56	27	10
Safe Democratic	1	0	7
Unsafe	42	72	82

the four anti-Benson representatives show a mean percentage vote loss of 4.7 percent with the three successful candidates in this set losing 4.9 percent.

The wholesale loss of votes by anti-Benson Republicans does not support the proposition that these candidates were simply unsuccessful in divorcing themselves from the farm policies of the Administration. The 1958 results in these three states were, more accurately, produced by (1) the general movement away from the Republican Party of a substantial portion of the electorate in the 27 districts being studied and (2) the existence of a large surplus of Republican votes in a number of these districts. The Democrats were able to increase their proportion of the popular vote in 21 of the 23 Republican districts in this set, but they were able to add only six of these districts to the Democratic column. Putting the conclusion another way, the Democrats were able to win only those Republican districts which were "unsafe."

Biggest Shifts in Small Towns

In order to identify the source, or sources, of the current electoral shift in terms of the demographic characteristics, it is necessary to select a political subdivision more homogeneous in farm and nonfarm population characteristics than the congressional district. The county has been selected as the basic unit for analysis because the size of the farm population in these units frequently approaches 70 percent, so that the vote is more likely to describe the voting pattern of the farm population than it is in congressional districts where the farm population generally averages below 50 percent.

The counties in the 27 nonmetropolitan districts are classified by state according to rank in percentage of farm population. The mean percentage of the Republican vote in the last three congressional elections is tabulated for each such set, and the shift in the Republican percentage is shown. Table 1 shows the shift for Illinois.

Table 2 indicates the number of "safe" counties as determined by the congressional election results in 1954, 1956, and 1958. A safe county is one in which more than 60 percent of the votes cast are for the candidate of one party.

Two aspects of the Illinois tables are noteworthy: (1) the loss of safe counties by the Republicans from 1954 to 1958, the off-year elections, and (2) the major shift toward the Democratic Party which has taken place in counties with a predominantly nonfarm population. The shift in popular vote in the last three elections has resulted in a reduction from 44 to 27 of the number of safe Republican counties in Illinois, but there has been no concomitant equal gain in safe counties for the Democrats.

The largest shifts in election results have occurred where the farm population comprises only 10 to 40 percent of the total. In these counties most of the population resides in towns or cities ranging from 500 to 25,000 persons. The significance of this trend is better appreciated when it is understood that approximately 60 percent of Illinois counties fall in this category. Counties with the greatest percentage of farm population have shown a mean vote shift of only 2.9 percent toward the Democratic Party, and the electorate of these counties show a stability in their support of Republican congressional candidates exceeded only by the predominantly urban counties with less than 10 percent of their population living on farms. Briefly stated, the most stable Republican counties in Illinois nonmetropolitan districts come from the extremes of the farm population continuum: (1) those counties with the largest farm population percentages, and (2) those counties with the smallest farm population percentages. These findings are contrary to explanations that assert the small town to be the hard core of Republicanism and the farm vote to be fluid.

The presidential year, it will be noted, manifests a different pattern from the off-year. The 1956 Republican losses in congressional elections are much smaller than corresponding losses between 1956 and 1958. The explanation for this may lie in the coattail effect of a popular presidential candidate able to retard momentarily the upsurge of Democratic strength. It will be interesting to see whether the Republican candidate this year can reduce, or reverse, the downward trend.

The Iowa voting pattern in recent congressional elections (see Tables 3 and 4) is similar to that for Illinois, but the magnitudes of the vote shifts in both the nonfarm and farm populations appear to be greater in Iowa. There have been more substantial Republican vote losses in more counties than in Illinois, with the losses located in generally the same types of counties. The farm population in Iowa seems more inclined to switch to the Democratic Party than its Illinois counterpart.

The voting pattern in congressional elections in Wisconsin shows some striking differences when compared with the patterns for Illinois and Iowa. (See Tables 5 and 6.) The differences are most apparent in the presidential-year and off-year fluctuations. The Republican percentage of the total vote tends to dip more sharply in Wisconsin in off-year elections. Nonetheless, the increase in the strength of the Republican vote in 1956 simply accentuated the losses incurred between 1956 and 1958. Since the Republican vote losses in counties with the

TABLE 5. PARTY VOTING IN RURAL WISCONSIN

Percent of farm population	Number of counties	Percent of Republican vote (Mean)			Percent shift in Republican vote (Mean)		
		1954	1956	1958	1954-56	1956-58	1954-58
Under 10%	0	....	....	....	.....	.....	.....
10%–19%	9	55.9	58.9	53.9	+3.0	−5.0	−2.0
20%–29%	11	57.5	62.1	54.7	+4.6	−7.4	−2.8
30%–39%	10	61.2	63.1	57.4	+1.9	−5.7	−3.8
40%–49%	15	64.3	65.7	58.4	+1.4	−7.3	−5.9
50%–59%	19	55.5	58.4	51.9	+3.6	−6.5	−2.9
60%–69%	6	56.7	60.6	56.1	+3.9	−4.5	−0.6

TABLE 6. SAFE AND UNSAFE WISCONSIN COUNTIES

	1954	1956	1958
Safe Republican	37	43	25
Safe Democratic	2	1	9
Unsafe	31	26	36

largest farm populations are smaller than the Republican vote losses in counties with 30 to 49 percent of the population living on farms, it is inferred that the excess over the normal off-year Republican losses in 1958 was most prominent in small-town areas and least prominent in counties with the largest farm populations. In summary, the pattern of the vote shift in Wisconsin is similar to that in Iowa and Illinois, but the characteristically sharp drop in the Wisconsin Republican vote in off-year elections obscures the extent of the shift to the Democrats.

When the counties in the Illinois 23rd District were ranked by the percentage of population living on farms and by the percentage of the total vote going to the Republican candidate in 1958, the correlation between the two rankings was positive, although it was not very significant. A similar test for Iowa's 2nd, 3rd, and 4th Districts, all of them nonmetropolitan districts that switched to the Democratic columns in 1958, produced similar results. In both cases these tend to support the previous conclusion that farmers in these states have been more reluctant to join the trend away from the Republican Party than other segments of the population.

Forecast for November

The trends in popular vote shifts between 1954 and 1958 have been calculated in percentages for these 27 districts. After making allowances for the usual pattern of presidential-year and off-year fluctuations in Republican Party strength, Table 7 projects the past trends into the 1960 congressional elections in these districts.

The Democratic Party seems likely to gain one district in Illinois, the 19th, and three districts in Iowa, the 3rd, 7th, and 8th; and to lose one district in Wisconsin, the 1st. The net gain of three seats for the Democrats (four if the Iowa 4th is counted as Republican now) is a continuation of the Republican decline in recent elections. The magnitude of the decline varies in the different districts and indeed in a very few districts there is a counter-trend. However, the trend to the Democrats is widespread and in approximately the same proportions of the popular votes as in the earlier elections.

TABLE 7. PROJECTED PERCENTAGES IN POPULAR VOTES IN 27 DISTRICTS IN ILLINOIS, IOWA, AND WISCONSIN, 1960

District number	Republican candidate	Vote (Percent)	Democratic candidate	Vote (Percent)
Illinois				
14	Hoffman*	62.3	Beall	37.6
15	Mason*	54.4	O'Brien	45.6
16	Anderson	57.4	Nelson	42.6
17	Arends*	61.0	Larkin	39.0
18	Michel*	60.8	Estep	39.2
19	Chiperfield*	49.8	Watson	50.2
20	Findley	52.2	Carrott	47.8
21	Ackerman	42.5	Mack*	57.5
22	Springer*	60.7	Nally	39.3
23	Walker	49.6	Shipley*	50.4
25	Kerr	40.6	Gray*	59.4
Iowa[a]				
1	Schwengel*	54.4	Guenther	45.6
2	Bromwell	44.8	Wolf*	55.2
3	Gross*	49.9	Gallagher, Jr.	50.1
4	Kyl*	43.2	Gilmour	56.8
5	Burgeson	43.3	Smith*	56.7
6	Riehm	32.0	Coad*	68.0
7	Jensen*	46.4	Orton	53.6
8	Hoeven	48.8	O'Brien	51.2
Wisconsin				
1	Schadeberg	52.1	Flynn*	47.8
2	Tewes	47.6	Kastenmeier*	52.4
3	Thomson	50.3	Clapp	49.7
6	Van Pelt*	57.8	Megellas	42.2
7	Laird*	63.0	Traeger	37.0
8	Byrnes*	60.0	Singler	40.0
9	Hull	40.7	Johnson*	59.3
10	O'Konski*	71.4		28.6

[a] It should be noted that the Iowa 4th is expected to be Democratic, although the incumbent is a Republican. Mr. Kyl, the incumbent, was elected in 1959 following the death of Mr. Carter, Democrat, who had been elected in 1958.
* Incumbent.

In our view the trend is independent of presidential voting in a substantial degree. It seems altogether unlikely that the Republican candidate for president this year can provide as much coattail support as the candidate did in 1956. If the voters elect a Republican to the presidency this year, divided government is in prospect in Washington for another two years. It is virtually impossible for the Republicans to gain control of the Senate, and if our estimates are correct the House of Representatives will also remain in the control of the Democrats.

Can Growth Be Maintained?

(Continued from page 2)

small enterprises use up all their capital, and their liquidation is deflationary. All these developments — lagging markets, slowly increasing unemployment held to moderate proportions by shifts of workers into nonproduction jobs, and rising business failures — are characteristics of a boom approaching its end.

What ultimately forces the downturn is the growth of excess capacity and the consequent curtailment of new investment. Such a turn may be foreshadowed in downward revisions of investment plans. As investment drops off, capacity becomes so excessive that improvement of efficiency no longer becomes an effective force for maintaining investment. Profits also drop off. So both the need for research and the means of financing it largely disappear. Then the major impact of unemployment shifts to the nonproduction staff.

The Role of Investment

At various points in most discussions of growth appear references to the rate of investment. The reason is that so-called investment expenditures play a triple role in the growth process. They are needed, first, to absorb the savings that accrue from high incomes; second, to bring the capital stock into line with production requirements; and third, to make the advances in technology effective in the production process. There are no automatic regulators to bring total investment expenditures to the level called for by all these criteria and, as a corollary, there is no basis for concluding that the economy can be safely left to itself if it is merely freed of such restrictions as tight money.

Even further, there is no reason to think that all three of these criteria would call for the same level of investment. This implies, if stable growth is to be achieved, that there should be different kinds of investment, some of which may be autonomous, or respond automatically, and others which can be adjusted to bring aggregate investment expenditures to the level required by the overall situation. Adequate control on this basis is still far from achievement, but something of this philosophy seemingly underlies the Democrats' proposals for expansion of public works programs.

If the Republicans really mean what they say about taking care of the economy during recessions, the disagreement may largely reduce to a difference in views about proper timing. The Democrats want action when the economy begins to lag. The Republicans prefer to wait, even beyond the point where 5 or 6 percent of the labor force is unemployed, until a definite downturn is under way and then try for a quick recovery. VLB

BUSINESS BRIEFS

PUBLICATIONS AND DEVELOPMENTS OF BUSINESS INTEREST

Changes in Income of Older Persons

The most important source of income in 1959 for 15.5 million persons in the nation aged 65 years and over was the old-age, survivors, and disability insurance system, according to the August, 1960, issue of *Business Record.* More than 10 million persons, or 64 percent of those 65 years old and over, received monthly checks from the OASDI system, compared with 1.5 million, or 13 percent, in 1948. Only 25 percent of those aged 65 and over obtained income from employment in 1959, in contrast to 33 percent in 1948. Income derived from public assistance declined in importance during the period, the proportion receiving income from this source dropping from 21 percent in 1948 to 16 percent in 1959. The percentage of older persons having no money income or income solely from sources other than employment or government programs fell from 29 percent in 1948 to only 7 percent in 1959.

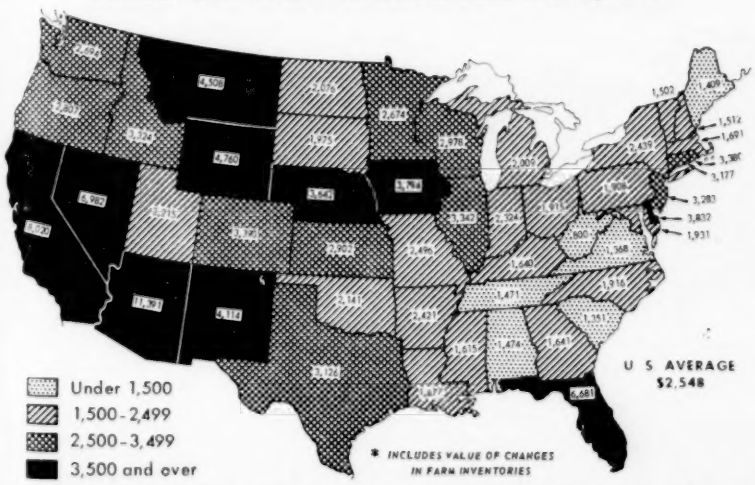
The proportion of persons aged 65 and over with annual incomes of less than $1,000 was 57 percent in 1958, down 10 percentage points from the 1948 level. The proportion of older persons receiving annual incomes between $1,000 and $2,000 rose from 18 percent in 1948 to 23 percent in 1958, and the proportion of those receiving incomes of $2,000 or more a year increased from 16 percent to 20 percent during the period.

Drop in Net Farm Income

In 1959 net farm income per farm in the United States, exclusive of Alaska and Hawaii, amounted to $2,548, about 4 percent below the 1958 level. All but eleven states experienced decreases in net farm income per farm, with South Dakota having the greatest percentage decline (55 percent). The Arkansas increase in income per farm amounted to 42 percent, leading all other states in the nation. Arizona had the highest net farm income per farm with $11,391, while West Virginia was lowest with only $800 per farm (see chart).

Illinois ranked twelfth with an average $3,342 in 1959, about 26 percent lower than in 1958. This figure represents only the third time that the average annual income per farm in Illinois has been below $3,700 since 1949. A major factor in the fall in 1959 net farm income per farm was the decline in cash receipts from livestock. These fell $132 million to slightly less than $1.2 billion. Owing also to declines in crop receipts and government payments, total receipts from farming dropped about $200 million to a total of slightly less than $2.0 billion.

TOTAL NET FARM INCOME PER FARM, 1959*



Source: U.S. Department of Agriculture, *State Estimates of Farm Income, 1949-59,* p. 11.

Gains in Retail Sales

The annual sales of all retail stores in the United States, exclusive of Alaska and Hawaii, set a new record in 1959 of slightly over $215 billion, 8 percent above the 1958 level. Sales in durable goods stores rose 13 percent to total $72 billion, and nondurable goods store sales amounted to $144 billion, up 5 percent from the previous year. All major components of retail business shared in the new record, with the greatest increase occurring in the automotive group, which advanced 16 percent.

Among the four regions of the country, the West experienced the greatest percentage increase in retail sales; there they were up 11 percent from 1958. This gain was primarily the result of the 23 percent advance in automobile sales in the region. Retail sales in both the North Central region and the South rose 8 percent, and the Northeast region gained 5 percent from 1958.

In 1959 per capita retail sales in the 48 states amounted to $1,235, about 6 percent more than in 1958. The West had per capita sales amounting to $1,461, approximately 18 percent higher than the national average. Per capita sales were estimated at $1,278 in the Northeast, $1,267 in the North Central region, and $1,063 in the South.

A Business Indicator

The July, 1960, issue of *Business Record* reports that the Conference Board has constructed a help-wanted index which can be related to general business movements and particularly to employment and unemployment statistics. This index is based on the number of help-wanted ads published in the classified section of one leading newspaper in each of the 33 cities representing 33 major labor market areas in the nation.

The supposition that underlies the use of help-wanted data for business analysis is that the level of help-wanted advertising at any time reflects employers' demand for labor. Some attractive features of the index are its timeliness and its flexibility. The index can be calculated from readily available data and can be arranged to cover different regional units.

From 1951 to 1960, the help-wanted index has shown a high degree of sensitivity to the general business cycle and particularly to labor market conditions. It has led by several months at the last two peaks in general business activity and employment. However, there appears to be no comparable lead occurring at the troughs of the cycles during this period. At the trough the initial upturn in employment is accounted for by the direct recall of workers previously laid off, which requires little or no advertising. This has resulted in the index lagging slightly at the trough.

LOCAL ILLINOIS DEVELOPMENTS

In July the major indexes of Illinois business reflected the general uncertainty in business conditions. Seasonally adjusted department store sales in Chicago increased 8 percent over June, and petroleum production rose 6 percent. However, construction contracts dropped 26 percent, and declines of 21 percent and 11 percent, respectively, were experienced in coal production and life insurance sales during the month.

Chicago's Improvement Program

The Department of City Planning of Chicago has prepared an outline of a capital improvement program requiring the expenditure of $692 million on public improvements in Chicago from 1960 through 1964. A total of $87 million is presently under contract.

The plan calls for about $325 million, or 47 percent of the total, to be spent on improvements of expressways, bridges, viaducts, and streets. The three Chicago airports are to receive $109 million, the major proportion of which will be used for the development of new terminal facilities at the O'Hare-Chicago International Airport. Other projects in the plan include sewer and filtration plant construction, and improvements of harbors, public buildings, and park facilities.

In addition to the city projects, the capital improvement program describes the planned construction projects of urban renewal agencies and of other local government bodies other than the city of Chicago. These agencies plan capital expenditures during the 1960-64 period amounting to $1.2 billion, or almost twice the total in the city program.

Rising Personal Income

According to the August, 1960, issue of the *Survey of Current Business,* Illinois personal income established a new record of $25.7 billion in 1959. This was a gain of about 6 percent over 1958 and 30 percent over 1954. Of the 1959 personal income, $21.4 billion was from private nonfarm sources, of which the three largest contributors were manufacturing ($7.3 billion), trade ($4.3 billion), and services ($2.6 billion). Farm income accounted for slightly over 2 percent of the state's personal income, and government income disbursements represented 14 percent of the total.

Illinois retained its third place rank in total personal income among the 50 states and the District of Columbia, being preceded only by New York and California. However, on the basis of per capita income Illinois ranked seventh, having an average per capita income of $2,610 during 1959. This also was a record high for the State, 4 percent above 1958 and 20 percent above 1954 (see chart). Illinois has always ranged well above the national per capita income average. However, it exceeded the national average by little more than 20 percent in 1959, compared with an average of about 24 percent from 1954 through 1957.

New Construction Plans

The Rural Electrification Administration has granted a loan of $25.8 million to the Southeastern Illinois Electric Co-operative for the construction of a new electric power plant near Marion, Illinois. The plant will have three generating units with rated total capacity of 99,000 kilowatts, and will be in operation by 1963. The new electric power plant will contribute to the future economic development of southern Illinois. It is estimated that the plant's beginning coal consumption will be about 113,000 tons a year, rising by 1975 to about 167,000 tons a year. The plant's initial payroll is estimated at $170,000 a year.

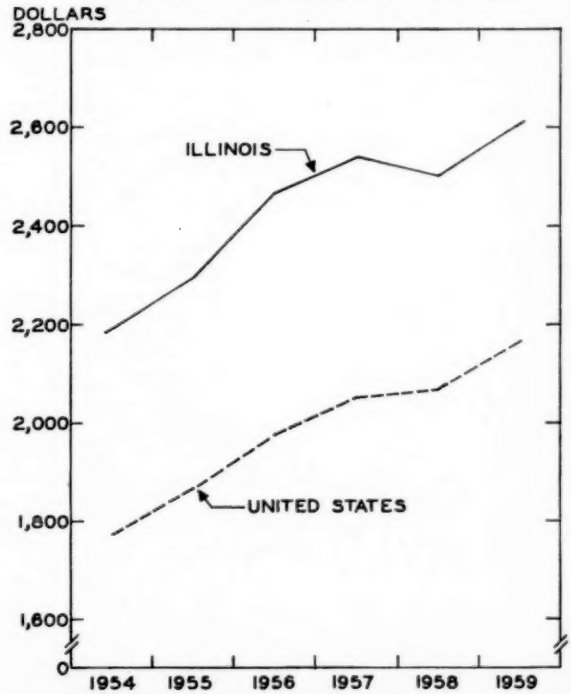
The Chicago Regional Port District has started a major expansion program which is expected to double the present capacity of the Lake Calumet Port. Construction plans call for a 3,500-foot wharf which will handle eight ocean-going vessels simultaneously, accompanying cargo sheds, and a warehouse. Dock facilities for handling steel cargoes will be built, and a large elevator will be erected to supplement the two elevators presently located in the port. The construction of a six-unit truck terminal to serve the entire port area and the erection of recreational facilities for ships' crews are also in the plans.

Tax Collections Up

Total state tax collections in the United States reached an all-time high of $18 billion in fiscal 1960, according to preliminary data published by the Bureau of the Census. All of the major tax categories shared in the net gain of $2.2 billion, which represents an increase of 14 percent over the previous year's tax collection.

Tax receipts in Illinois also were at a record high of $836 million, with Illinois ranking sixth among the states in tax collections. This record sum was 13 percent higher than in fiscal 1959. All major tax groups contributed to this rise, with the exception of property tax collections, which dropped 17 percent from 1959. The largest percentage increase came from the sales and gross receipts taxes, which advanced 15 percent. The rise in these taxes accounted for 94 percent of the state's total tax receipt increase over 1959 and was due primarily to the hike in the tax rate from 2.5 cents to 3.0 cents, which took effect on July 1, 1959.

PER CAPITA PERSONAL INCOME



Source: U.S. Department of Commerce, *Survey of Current Business,* August, 1960, p. 17.

COMPARATIVE ECONOMIC DATA FOR SELECTED ILLINOIS CITIES

July, 1960

	Building Permits[1] (000)	Electric Power Consumption[2] (000 kwh)	Estimated Retail Sales[3] (000)	Department Store Sales[4]	Bank Debits[4] (000,000)	Postal Receipts[5] (000)
ILLINOIS	**$43,120**[a]	**1,168,657**[a]	**$549,213**[a]		**$17,978**[a]	**$15,030**[a]
Percentage change from June, 1960	+5.3	+1.7	−4.4	−18	−10.4	−2.9
Percentage change from July, 1959	+20.1	+0.8	n.a.	−3	−6.1	+10.0
NORTHERN ILLINOIS						
Chicago	**$32,333**	**867,548**	**$398,085**		**$16,461**	**$12,989**
Percentage change from June, 1960	+26.5	+2.3	−5.0	−18	−10.9	−3.0
Percentage change from July, 1959	+42.2	−2.5	n.a.	−3	−6.2	+9.8
Aurora	**$1,613**	n.a.	**$ 9,646**		**$ 89**	**$ 143**
Percentage change from June, 1960	+42.4		+4.5	−17	−3.0	−13.5
Percentage change from July, 1959	−5.9		n.a.	+8	+5.6	+12.0
Elgin	**$ 397**	n.a.	**$ 6,121**		**$ 53**	**$ 113**
Percentage change from June, 1960	+82.1		+4.0	n.a.	−5.6	+0.0
Percentage change from July, 1959	−54.9		n.a.		−4.2	+37.4
Joliet	**$ 635**	n.a.	**$11,075**		**$ 99**	**$ 107**
Percentage change from June, 1960	−85.7		−1.1	−13	+8.7	+0.2
Percentage change from July, 1959	−53.0		n.a.	+2	+1.0	+10.6
Kankakee	**$ 183**	n.a.	**$ 5,281**		n.a.	**$ 55**
Percentage change from June, 1960	−67.3		+9.4	n.a.		−19.7
Percentage change from July, 1959	−15.7		n.a.			+12.7
Rock Island-Moline	**$1,776**	27,074	**$11,745**		**$ 121**[b]	**$ 146**
Percentage change from June, 1960	−41.3	+8.3	+0.4	n.a.	−10.6	+9.4
Percentage change from July, 1959	+97.6	−2.3	n.a.		−2.4	−6.1
Rockford	**$1,609**	46,971[c]	**$17,665**		**$ 215**	**$ 209**
Percentage change from June, 1960	+509.5	−1.1	−7.4	−15[c]	−0.4	−11.3
Percentage change from July, 1959	+19.4	−0.4	n.a.	−8[c]	+2.1	+7.0
CENTRAL ILLINOIS						
Bloomington	**$ 375**	9,599	**$ 5,223**		**$ 85**	**$ 96**
Percentage change from June, 1960	−74.4	−5.2	−8.2	n.a.	+6.7	−10.6
Percentage change from July, 1959	−59.5	+6.3	n.a.		+1.4	+7.4
Champaign-Urbana	**$1,112**	15,058	**$ 7,488**		**$ 84**	**$ 108**
Percentage change from June, 1960	+297.1	+6.0	−13.9	n.a.	−4.7	−6.8
Percentage change from July, 1959	+151.6	+1.8	n.a.		−3.8	+0.7
Danville	**$ 208**	13,913	**$ 5,844**		**$ 55**	**$ 84**
Percentage change from June, 1960	−57.9	+1.0	−11.4	−9	+5.3	+27.5
Percentage change from July, 1959	−16.8	+1.0	n.a.	−5	−6.1	+57.7
Decatur	**$ 114**	33,015	**$11,012**		**$ 117**	**$ 111**
Percentage change from June, 1960	−84.2	−1.1	−8.1	−15[c]	−10.2	−12.1
Percentage change from July, 1959	−84.6	−10.8	n.a.	−6[c]	−11.4	−1.7
Galesburg	**$ 438**	8,086	**$ 4,546**		n.a.	**$ 49**
Percentage change from June, 1960	+97.3	−3.6	+4.0	n.a.		+23.1
Percentage change from July, 1959	+44.1	−4.3	n.a.			+23.8
Peoria	**$ 741**	52,989[c]	**$18,471**		**$ 234**	**$ 275**
Percentage change from June, 1960	+64.7	−13.3	+0.3	−17	−7.4	−10.2
Percentage change from July, 1959	−42.5	−10.4	n.a.	−8	−6.9	+8.6
Quincy	**$ 189**	n.a.	**$ 5,328**		**$ 48**	**$ 78**
Percentage change from June, 1960	−45.7		+2.3	−5	−19.7	+17.5
Percentage change from July, 1959	+9.2		n.a.	−18	−5.2	+11.2
Springfield	**$ 875**	43,464[c]	**$12,482**		**$ 132**	**$ 269**
Percentage change from June, 1960	−11.2	+13.9	−11.2	−14[c]	−4.4	−5.1
Percentage change from July, 1959	−48.3	−2.5	n.a.	+1[c]	−12.9	+18.8
SOUTHERN ILLINOIS						
East St. Louis	**$ 83**	17,341	**$ 9,095**		**$ 140**	**$ 115**
Percentage change from June, 1960	−20.2	+7.7	+2.3	n.a.	−12.5	+62.1
Percentage change from July, 1959	−71.7	+5.0	n.a.		−9.4	+14.3
Alton	**$ 255**	21,821	**$ 5,109**		**$ 46**	**$ 35**
Percentage change from June, 1960	−45.4	−1.7	−0.2	n.a.	−7.7	−6.1
Percentage change from July, 1959	−11.2	−24.5	n.a.		−5.3	−1.7
Belleville	**$ 184**	11,777	**$ 4,996**		n.a.	**$ 49**
Percentage change from June, 1960	−4.2	+4.4	+7.0	n.a.		+2.7
Percentage change from July, 1959	−50.8	+6.8	n.a.			+10.6

[a] Total for cities listed. [b] Includes East Moline. [c] Includes immediately surrounding territory. n.a. Not available.

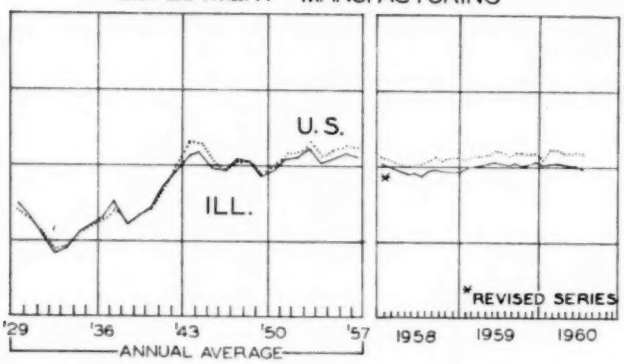
Sources: [1] U. S. Bureau of Labor Statistics. Data include federal construction projects. [2] Local power companies. [3] Illinois Department of Revenue. Data are for June, 1960. Comparisons relate to May, 1960, and June, 1959. [4] Research Departments of Federal Reserve Banks in Seventh (Chicago) and Eighth (St. Louis) Districts. Department store sales percentages rounded by original sources. [5] Local post office reports. Four-week accounting periods ending July 22, 1960, and July 24, 1959.

The University of Chicago Libraries
Periodical Division, Harper, M22
Chicago 37, Ill.

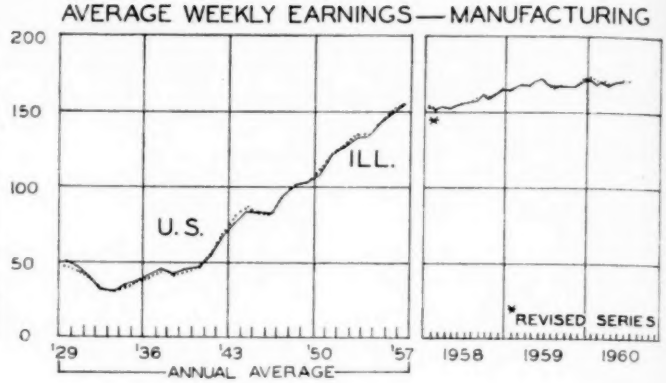
INDEXES OF BUSINESS ACTIVITY

1947-1949 = 100

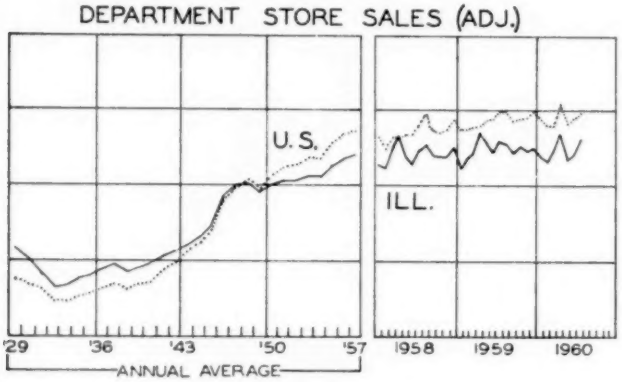
EMPLOYMENT MANUFACTURING



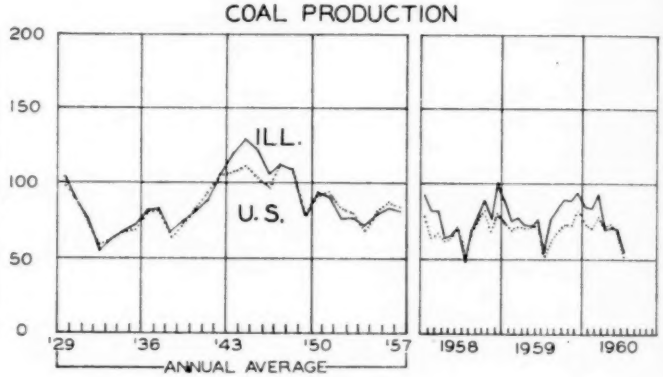
AVERAGE WEEKLY EARNINGS—MANUFACTURING



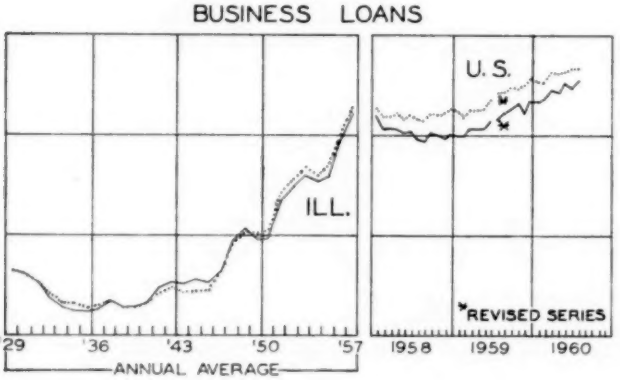
DEPARTMENT STORE SALES (ADJ.)



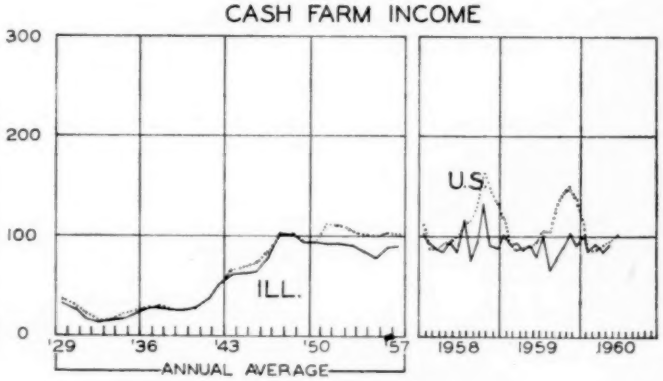
COAL PRODUCTION



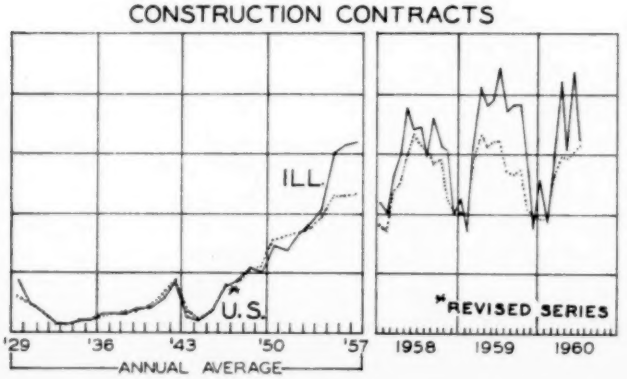
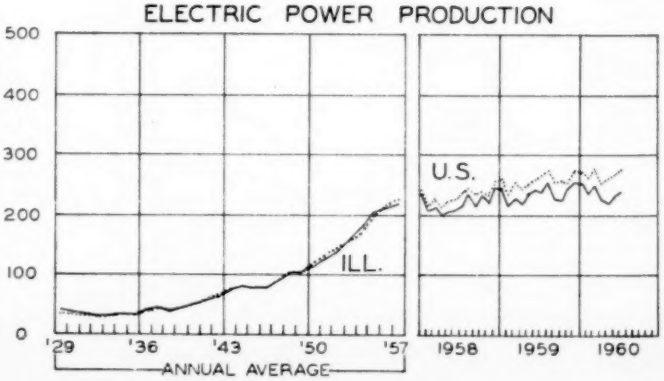
BUSINESS LOANS



CASH FARM INCOME



CONSTRUCTION CONTRACTS



ELECTRIC POWER PRODUCTION